

CLAIMS ARISING OUT OF THE OCCUPATION OF VERA CRUZ

JANUARY 20, 1925.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

Mr. MOORES of Indiana, from the Committee on Foreign Affairs, submitted the following

REPORT

[To accompany S. 2506]

The Committee on Foreign Affairs submits the following report in explanation and approval of the accompanying bill (S. 2506), referred by the House to this committee.

The bill undertakes to authorize the payment to the Government of Austria, France, Germany, Great Britain, Spain, and Mexico, and to J. F. Woodyard, an American citizen, of various sums as indemnity to the nationals of such countries, and to the individual named, for losses sustained during and directly occasioned by the occupation of the Mexican city of Vera Cruz in April, 1914.

Letters are submitted herewith from the President, the Secretary of State, the Director of the Budget, President Harding, Acting Secretary Phillips, and Acting Director of the Budget Kloeber, all recommending the appropriation of \$45,508.69 as compensation. These letters also recite briefly the facts as to the occupation, but do not go into details as to the specific nature of the damages.

The impression may be gathered from the letters of President Harding and the Secretary of State that much of the amount asked was for intoxicating liquors, whereas the allowance for the destruction of such property was considerably less than one-sixth of the total amount, and all of it goes to Spain to compensate some 15 Spanish claimants.

During and immediately after the occupation of Vera Cruz, Admiral Henry T. Mayo, United States Navy, in command of the expeditionary forces, appointed a naval board to pass on all claims for damages. The naval board included Rear Admiral George W. Kline, Capt. O. P. Jackson, Capt. Roscoe C. Moody, Capt. Aldelbert Althouse, Commander R. P. Scudder, and possibly other naval

officers. This board was in session for 23 days, examined witnesses, and made personal inspections of property claimed to be damaged. There were 99 claims presented, aggregating approximately \$157,200 in United States currency. It wholly rejected about 44 claims; allowed 2 small claims in full, and very materially reduced the others; reducing claims aggregating \$157,200 to about \$31,500. Of this total allowance nothing appears to be for liquor.

Four claims not heard by the naval board and presented to the State Department by the British, French, and Spanish Embassies were allowed as follows:

1. British claims of Vera Cruz Terminal Co. for \$114,154 for use of electric system, of which \$11,303.80 was allowed.

2. British claim of Vera Cruz Telephone Construction Co. of \$137.20 Mexican, of which \$63.31 Mexican was allowed.

3. French claim of Max Chauvet, \$600, of which \$200 was allowed.

4. Spanish claim of Valentin Perez for an elbow shattered by American gunfire for which an allowance of \$2,500 was made. This is the only claim for damage done to the person, all others being property damaged.

Many claims disallowed by the naval board were again presented to the Navy Department, of which 15, aggregating \$50,882.65 Mexican, were allowed in part, the total allowance on these claims being \$14,046.93 Mexican.

Total amount claimed

		United States equivalent	
British:			
	United States currency-----	\$129, 235. 92	\$129, 235. 92
	Mexican-----	111, 395. 56	55, 697. 78
	Total-----		\$184, 933. 70
French:			
	United States currency-----	600. 00	600. 00
	French francs-----	8, 338	1, 609. 23
	Mexican-----	\$23, 279. 51	11, 639. 75
	Total-----		13, 848. 98
Spanish:			
	Mexican-----	178, 077. 29	89, 038. 64
	Miscellaneous Mexican-----	97, 455. 53	48, 727. 76
	Total-----		137, 766. 40
	Grand total-----		336, 549. 08

Total amount allowed

		United States equivalent	
British:			
	United States currency-----	\$23, 791. 35	\$23, 791. 35
	Mexican-----	2, 259. 15	1, 129. 57
	Total-----		\$24, 920. 92
French:			
	United States currency-----	426. 40	426. 40
	Mexican-----	3, 677. 23	1, 838. 61
	Total-----		2, 265. 01
Spanish:			
	United States currency-----	2, 595. 00	2, 595. 00
	Mexican-----	23, 495. 35	11, 747. 68
	Total-----		14, 342. 68

		United States equivalent	
Miscellaneous:			
United States currency	-----	\$79. 00	\$79. 00
Mexican	-----	7, 822. 16	3, 911. 08
Total	-----		\$3, 990. 08
Total allowance made	-----		45, 518. 69

The allowances to be paid are as follows:

		United States currency	
British:			
Vera Cruz Terminal Co.	-----	\$11, 303. 80	
Vera Cruz Electric Light, Power & Traction Co. (Ltd.)	-----	12, 487. 55	
Total	-----		23, 791. 35
		Mexican currency	
Philip M. Walker	-----	\$225. 00	
P. Mortimer Walker	-----	251. 39	
Vera Cruz Telephone Construction Co. (Ltd.)	-----	63. 31	
Vera Cruz Constructing Syndicate	-----	1, 719. 45	
Total	-----		2, 259. 15

		United States currency	
French:			
Charles Samara	-----	\$151. 40	
Max Chauvet	-----	200. 00	
Noel Perrier	-----	75. 00	
Total	-----		426. 40
		Mexican currency	
Denis Loustau	-----	\$1, 110. 00	
M. M. C. Markussuza	-----	261. 72	
Julien Levy	-----	2, 305. 51	
Total	-----		3, 677. 23

		United States currency	
Spanish:			
Valentin Perez	-----	\$2, 500. 00	
Rafael P. Cornejo	-----	95. 00	
Total	-----		2, 595. 00

		Mexican cur- rency	
* Mexican cur- rency			
Domingo Zavala	-----	\$614. 50	
J. Galainena (Sucs.)	-----	60. 00	
Modesto Arenas	-----	303. 46	
Longo y Gonzalez	-----	830. 00	
Manuel Vasquez	-----	1, 302. 84	
José Martinez	-----	45. 00	
José Novoa Penedo	-----	1, 677. 29	
Benado Lopez	-----	242. 00	
Angel Noriega Alvarez	-----	1, 033. 43	
Laureano Rodriguez	-----	2, 426. 00	
Eusebio Llarena	-----	105. 00	
Caledonio Casado	-----	752. 01	
Miguel Orejas Gonzales	-----	1, 435. 20	
Daniel Ruiz	-----	200. 00	
Manuel Gonzalez	-----	30. 00	
Pedro Gonzalez Diaz	-----	1, 172. 78	
José Sierra	-----	591. 28	
Felipe de la Riva	-----	352. 83	
Mujares Hermanos	-----	1, 079. 05	

Spanish—Continued.		Mexican currency
Maximo Gonzalez.....		\$400. 00
Antonio Lopez.....		150. 00
Aureliano Martinez Ordonez.....		363. 50
Anselmo Clavo.....		105. 00
Segundo Alonso y Cia.....		275. 00
Antonio Roiz.....		1, 670. 00
Baldermo Ibañez.....		829. 75
Benito Exposito.....		206. 00
Domingo Campillo y Cruz.....		446. 00
José Peña Mier.....		1, 077. 00
Cirilo Alonso.....		800. 00
Gerardo Garrido.....		50. 00
Julian Aragon y Sobrino.....		780. 50
Magriña y Miro.....		193. 93
Ricardo Luis Rivas Hernandez.....		200. 00
José Maria Pardo.....		471. 00
Manuel Muslera Alvarez.....		450. 00
Antonio Fernandez.....		275. 00
Banito Piñero.....		500. 00
Total.....		23, 495. 35
Miscellaneous:		United States currency
M. During & Co.....		\$79. 00
		Mexican currency
A. Degener.....		\$6, 936. 00
A. Wagner & Levien.....		100. 00
Guillo Forsback.....		17. 00
Guillo Fosback.....		60. 00
Rudolfo Grünberger.....		266. 23
Hamar Jarquin.....		25. 00
J. F. Woodyard.....		417. 93
Total.....		7, 822. 16

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES RELATIVE TO CLAIMS
ARISING OUT OF THE OCCUPATION OF VERA CRUZ, MEXICO, BY THE AMERICAN
FORCES IN 1914

To the Congress of the United States:

I transmit herewith a report by the Secretary of State requesting the submission anew to the present Congress of the matter of the claims arising out of the occupation of Vera Cruz, Mexico, by American forces in 1914, which formed the subject of a report made by the Acting Secretary of State to the President in September, 1922, and a message of President Harding to Congress dated September 14, 1922, which comprise Senate Document No. 252, Sixty-seventh Congress, second session, copies of which are furnished for the convenient information of the Congress.

Concurring in the recommendation made by President Harding, that in order to effect a settlement of these claims, the Congress as an act of grace and without reference to the legal liability of the United States in the premises, authorize an appropriation in the sum of \$45,518.69, I bring the matter anew to the attention of the present Congress, in the hope that the action recommended may receive favorable consideration.

CALVIN COOLIDGE.

The WHITE HOUSE,
Washington, February 7, 1924.

The President:

In September, 1922, the Acting Secretary of State reported at length to the President concerning claims against the United States arising out of the occupation

of Vera Cruz, Mexico, by American forces in 1914, and requested that the President recommend to the Congress the adoption of the findings of the naval board in the settlement of these claims, as indicated in the report, and the appropriation of the sum of \$34,214.89 in payment of the awards rendered by that board and to cover indemnity to Valentin Perez and to compensate the claimants for the value of liquors destroyed under military orders, and also the sum of \$11,303.80 approved by the Secretary of War as an adequate payment in satisfaction of the claim of the Vera Cruz Terminal Co. (Ltd.).

This report was transmitted to Congress by the President on September 14, 1922, with the recommendation that in order to effect a settlement of these claims in accordance with the recommendation of the Acting Secretary of State, the Congress, as an act of grace, and without reference to the legal liability of the United States in the premises, authorize an appropriation in the sum of \$45,518.69. This recommendation of President Harding and the report of the Acting Secretary of State mentioned, with its accompanying papers, comprise Senate Document No. 252, Sixty-seventh Congress, second session, copies of which are inclosed for the President's full information.

It appearing that no action was taken on this recommendation by the Sixty-seventh Congress, and fully concurring in the report and request of the Acting Secretary of State, I beg to suggest the submission of the matter new to the consideration of the present Congress.

It will be observed from the inclosed communication from the Bureau of the Budget, to whom the matter was referred, that the proposed action is not inconsistent with the financial program of the Government.

Respectfully submitted.

CHARLES E. HUGHES,

DEPARTMENT OF STATE,
Washington, February 4, 1924.

BUREAU OF THE BUDGET,
Washington, December 20, 1923.

DEAR MR. SECRETARY: I have your letter of December 19, inclosing a copy of Senate Document No. 252 of the Sixty-seventh Congress, second session, containing a report to the President recommending that Congress be requested to authorize an appropriation for the settlement of claims of foreign nationals arising out of the occupation by the American forces of Vera Cruz, Mexico, in 1914, and asking whether the proposed action is in harmony with the financial policy of the President.

It gives me pleasure to advise you that the proposed request for legislation authorizing an appropriation for the purpose stated is not in conflict with the financial program of the President.

Sincerely yours,

H. M. LORD, *Director*.

The SECRETARY OF STATE.

COMMUNICATION FROM THE PRESIDENT OF THE UNITED STATES

To the Senate and House of Representatives:

I transmit herewith a report respecting claims of the nationals of Spain, France, Great Britain, Germany, Austria, Italy, Cuba, and the United States arising out of the occupation by the American forces of Vera Cruz, Mexico, in 1914, with a request that the findings of the naval board in the settlement of these claims, as indicated therein, be adopted, and that the Congress authorize the appropriation of the sum necessary to pay the awards rendered by that board, to cover an indemnity to Valentin Perez and to compensate the claimants for the value of liquors destroyed under military orders, and also the sum approved by the Secretary of War as an adequate payment in satisfaction of the claims of the Vera Cruz Terminal Co. (Ltd.).

I recommend that, in order to effect a settlement of these claims in accordance with the recommendation of the Acting Secretary of State, the Congress, as an act of grace, and without reference to the legal liability of the United States in the premises, authorize an appropriation in the sum of \$45,518.69.

WARREN G. HARDING.

THE WHITE HOUSE,
September 14, 1922.

The PRESIDENT:

I have the honor to submit, with a view to its transmission to Congress, the following report and recommendation relative to the claims against the United States arising out of the occupation by American forces of Vera Cruz, Mexico, in 1914:

On April 20, 1914, the President of the United States addressed the two Houses of Congress in joint session, asking the approval of that body for his action in using the armed forces of the United States in such ways and to such an extent as he deemed necessary to obtain from General Huerta, of Mexico, and his adherents the fullest recognition of the rights and dignity of the United States. This approval was voiced by joint resolution approved April 22, 1914, in the following terms:

"* * * That the President is justified in the employment of the armed forces of the United States to enforce his demand for unequivocal amends for certain affronts and indignities committed against the United States.

"Be it further resolved, That the United States disclaims any hostility to the Mexican people or any purpose to make war upon Mexico."

In the execution of the President's Mexican policy as outlined in his address to Congress, United States marines and sailors were landed at Vera Cruz, Mexico, April 21, 1914, and immediately took possession of the cable office, post office, telegraph office, customhouse, the railroad terminal and yards with rolling stock. There was considerable firing upon the American troops, which necessitated forcible measures by them. As a result of these operations a number of complaints were made by local residents to the commander in chief of the United States Atlantic Fleet in regard to damage to property said to have been incident to the occupation of the city.

The commander in chief appointed a board of naval officers to investigate these complaints and to make a record of any evidence that might be submitted on behalf of the several claimants.

This board met from time to time at the United States consulate at Vera Cruz and submitted reports on 99 claims. Claimants were advised that it would be necessary for them to make formal application for reimbursement through diplomatic channels for the value of property alleged by them to have been damaged or destroyed, but in no case was a claimant given any assurance of ultimate reimbursement.

The total claims presented before this board amounted to approximately \$283,000 Mexican, plus about \$15,700 United States gold.

The Governments of Spain, Great Britain, and France have filed with the Department of State a list of their nationals whose claims were passed upon by the naval board, and have asked the Government of the United States to pay indemnities for the damages sustained.

In addition to the above claims heard by the naval board at Vera Cruz, there was referred to the War Department for its consideration a claim of the Vera Cruz Terminal Co. (Ltd.) and railways connected therewith, amounting to \$114,154, which was presented diplomatically by the British Government, and covers compensation for the use of the company's properties at Vera Cruz by the American forces, including the railroad terminal facilities, besides the use of two of the railroads for which the claimant acts as agent, in addition to damages to the property. On receiving the first complaint of this company the papers were referred to the commanding general at Vera Cruz for investigation, and the board of officers appointed by him held hearings in that city from August 17 to September 17, 1914, to determine the facts and a fair and reasonable basis of compensation.

Subsequently the Quartermaster General of the Army made a careful examination into the whole matter, collecting data to cover the period between the action of the board and the date of withdrawal of the forces from the city. He concurred in the recommendations of the board, and upon the basis so submitted found the aggregate amount which should be allowed for the entire time of occupancy by the United States Army and the United States Marine Corps to be \$11,303.80, United States currency. The case was then reviewed by the Judge Advocate General and by the Chief of Staff of the Army, each of whom fully concurred in the recommendations of the Quartermaster General, and approval was given thereto by the Secretary of War.

Another claim arising out of the same circumstances, brought to the attention of the department by the Spanish ambassador, is that of Valentin Perez. It appears that Mr. Perez sustained personal injury during the occupation of Vera Cruz by the American forces which has deprived him of the use of an arm. On

submitting the facts in the case to the Navy Department that department made reply on July 12 and 30, 1914, detailing the injuries Perez had sustained, and on May 4, 1922, suggested that he be paid \$2,500, as an indemnity for his injuries.

The department has made an examination of the claims upon which the naval board has rendered decisions and concurs in the recommendations made by the board, which may be grouped for convenience under four titles: (1) Where a recommendation for a full or partial allowance was made in full settlement of the claim; (2) where a partial allowance was recommended with a suggestion that the claim is deserving of further consideration if, upon presentation through the usual diplomatic channels to the Government of the United States, satisfactory evidence of actual loss is submitted; (3) where no allowance was made but the same suggestion made as set forth under 2; and (4) where the claims were dismissed.

The record of the proceedings of the board as received from the Navy Department is voluminous, comprising in the case of each claim the minutes of the naval board, transcript of testimony, statement of losses by claimant, supported in some instances by affidavits, and a certificate of the claimant's nationality. In view of the voluminous character of this record it is not transmitted herewith, but all or any part of it will, of course, be furnished should the Congress so desire.

In the examination of these claims they have been considered as falling under one of two groups: First, claims for damages to premises and permanent electrical equipment, such as cables, telephone wires, etc., the taking of property and merchandise used by the naval forces; and second, claims for merchandise lost or destroyed through looting.

In considering cases in the first group, where damage was done to premises, the statement of naval officers usually fixed the responsibility for the damage and this, coupled with the result of an inspection of the premises by the board, formed the basis for the decision rendered. The taking of property and merchandise used by the United States naval forces was readily proven by receipts given therefor, or statements made by naval officers that the property in question was taken, or that the merchandise was used for military purposes.

The question of the amount to be allowed for the value of the property taken or merchandise consumed was determined by the statements of such naval officers. Apparently, no consideration was given to the question of allowing claimants damages for the time they were deprived of the use of their property.

Claims in the second group include items for the value of goods or merchandise which were lost or destroyed. The proceedings in these cases indicate that the board was careful to insist on the production of evidence showing the responsibility of the naval forces for the overt act and the damage sustained thereby. In the absence of such proof, the items of compensation claimed were disallowed. Items for traveling expenses, board and lodgings, and wages were likewise disallowed.

Where the claims include items for merchandise, principally liquors, foodstuffs, and furniture lost or destroyed through looting, the claimants were obliged to prove that the American forces were responsible for such acts. In these cases the board considered the statement of claimants alone as to the value of such merchandise insufficient to determine the amount to be paid. The board inspected the premises in each case and had first-hand information of the damage done. However, although the destruction of liquors was made under military orders, the commanding officers failed to ascertain or estimate the loss through such destruction and no allowance was made therefor by the board but on presenting the facts to the Secretary of the Navy that official was of the opinion that items for destruction of liquor should be included in any award made. Approximately \$14,046.93 Mexican has therefore been added to the allowance made by the board in the claims, which included items for the destruction of liquors by the naval forces.

A list giving the nationality of the claimants, amounts of claims, and action recommended by the naval board is submitted herewith.

Finally, the Acting Secretary of State has the honor to request the President to recommend to the Congress the adoption of the findings of the naval board in the settlement of claims arising out of the occupation of Vera Cruz, Mexico, by the American forces in 1914, and the appropriation of the sum of \$34,214.89 in payment of the awards rendered by that board, and to cover indemnity to Valentin Perez, and to compensate the claimants for the value of liquors which were destroyed under military orders, and, furthermore, that there be appropriated in addition the sum of \$11,303.80 in satisfaction of the claim of the Vera Cruz Terminal Co. (Ltd.).

It will be noted from the inclosed communication from the Director of the Bureau of the Budget, to whom the matter was referred, that the proposed action is not inconsistent with the financial program of the Government.

Respectfully submitted.

WILLIAM PHILLIPS,
Acting Secretary of State.

DEPARTMENT OF STATE,
Washington.

TREASURY DEPARTMENT,
BUREAU OF THE BUDGET,
Washington, September 1, 1922.

MY DEAR MR. SECRETARY: I have your letter of August 30, inclosing a copy of a proposed report to the President recommending that Congress be requested to take certain action which will embrace an authorization of an appropriation of \$45,518.69 for the settlement of claims of foreign nationals arising out of the occupation of Vera Cruz, Mexico, by the American forces in 1914, and asking whether the proposed action is in harmony with the financial policy of the President.

Under the provisions of Budget Circular No. 49, issued by direction of the President December 19, 1921, this matter has been submitted to the President, who has instructed me to advise you that the proposed request for legislation authorizing an appropriation of \$45,518.69 for the settlement of these claims is not in conflict with his financial program.

Sincerely yours,

R. O. KLOEBER, *Acting Director.*

The ACTING SECRETARY OF STATE.